



Patrick W. Henning, Director



Arnold Schwarzenegger
Governor

February 25, 2008
22M:355:dd:8014

Ms. Sandra Harmsen, Interim Director
San Bernardino County
Workforce Development Department
215 North D Street, Suite 301
San Bernardino, CA 92415

Dear Ms. Harmsen:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2007-08

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the San Bernardino County Workforce Development Department's (WDD) Workforce Investment Act (WIA) 85-Percent grant program operations. We focused this review on the following areas: Board composition, One-Stop delivery system, program administration, WIA activities, participant eligibility, local program monitoring of subrecipients, grievance and complaint system, and management information system/reporting.

This review was conducted by Mr. David Davis from November 26, 2007 through November 30, 2007.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by WDD with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2007-08.

We collected the information for this report through interviews with WDD representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, WDD's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2007-08.

We received your response to our draft report on February 20, 2008 and reviewed your comments and documentation before finalizing this report. Because your response did not adequately address the finding cited in the draft report, we consider this finding unresolved. We request that WDD provide the Compliance Review Division (CRD) with additional information that identifies timelines to resolve the issue that led to the finding. Therefore, this finding remains open and has been assigned Corrective Action Tracking System (CATS) number 80014.

BACKGROUND

The WDD was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, only a small amount of the allocated funds were expended at the time of our review. For PY 2006-07, WDD was allocated: \$4,338,732 to serve 1,033 adult participants; \$3,690,953 to serve 483 youth participants; and \$2,896,235 to serve 394 dislocated worker participants.

For the quarter ending September 30, 2007, WDD reported the following expenditures for its WIA programs for PY 2006-07: \$4,338,732 for adult participants; \$3,690,953 for youth participants; and \$2,896,235 for dislocated worker participants. In addition, WDD reported the following enrollments for PY 2006-07: 1,033 adult participants; 231 youth participants; and 242 dislocated worker participants. We reviewed case files for 26 of the 1,320 adult participants, and 10 case files of the youth participants enrolled in the WIA program as of November 26, 2008.

PROGRAM REVIEW RESULTS

While we concluded that, overall, WDD is meeting applicable WIA requirements concerning grant program administration, we noted an instance of noncompliance in the area of Workforce Investment Board's (WIB) composition. The finding that we identified in this area, our recommendation, and WDD's proposed resolution of the finding is specified below.

FINDING 1

Requirement: WIA 117(b)(4) states, in part, that a majority of the members of the local workforce investment board shall be representatives of business in the local area.

Observation: We observed that the membership of the WDD's WIB does not have a business majority. The 40-member WIB currently has 19 business representatives. Two additional business

representatives are needed to meet the business representatives' majority requirement.

Recommendation: We recommended that WDD provide the Compliance Review Division (CRD) with a Corrective Action Plan (CAP), including a timeline, describing how it will ensure that the WIB has a business majority. In addition, we recommend that WDD provide CRD with an updated roster when the vacancies are filled.

WDD's Response: The WDD provided CRD with an updated membership roster showing that the Board of Supervisors appointed Robert Visconti from the Southern California Gas Company on January 29, 2008. The WDD will continue to work with the Board of Supervisors to fill the remaining vacancy. In addition, WDD staff shared information concerning the vacant seat at community events and meetings, and notices are provided during WIB's monthly membership meetings. Information regarding WIB vacancies is also posted on WDD's website that describes how interested candidates can become WIB members.

State Conclusion: Based on WDD's response, we cannot resolve this issue until the WIB has a business majority. Consequently, we recommend that WDD provide CRD with an updated roster showing the second member. Until then, this finding remains open and has been assigned Corrective Action Tracking System (CATS) number 80014.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Division. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than March 24, 2008. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Division
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

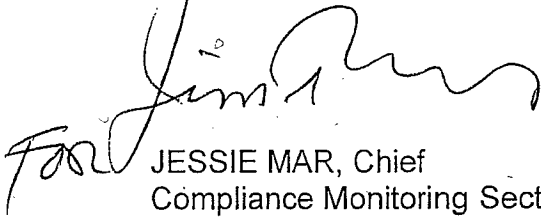
In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

February 25, 2008

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is WDD's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain WDD's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Mr. David Davis at (916) 654-8332.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jim Tremblay", is written over the typed name.

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Shelly Green, MIC 45
Jose Luis Marquez, MIC 50
Norma McKay, MIC 50
Lloyd Saito, MIC 50